

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2013- 15- C

January 29, 2015

IN RE: Application of Nexus Communications,)
 Inc. for Designation as a Wireless) **STIPULATION**
 Eligible Telecommunications Carrier for)
 Low Income Support Only)

This Stipulation is made by and among the South Carolina Office of Regulatory Staff (“ORS”) and Nexus Communications, Inc. (“Nexus” or the “Company”) (collectively referred to as the “Parties” or sometimes individually as a “Party”).

WHEREAS, on December 31, 2012, Nexus filed its Application requesting Designation as a Wireless Eligible Telecommunications Carrier (“ETC”) in the State of South Carolina;

WHEREAS, ORS has reviewed the Application and the (verified) testimony of Steven Fenker, the latter of which was filed on February 28, 2013;

WHEREAS, Nexus operates its wireless business under the name ReachOut Wireless;

WHEREAS, Nexus is seeking wireless ETC Designation throughout South Carolina service areas for the purpose of receiving federal low-income universal service support for prepaid wireless service, specifically Lifeline;

WHEREAS, as a result of its investigation, ORS has determined that subject to the provisions set forth below, Nexus’ request for designation as an ETC should be approved;

WHEREAS, Nexus filed a compliance plan with the Federal Communications Commission ("FCC"), and agrees to comply with the requirements and conditions set out in the approved FCC compliance plan ("Compliance Plan"); and

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1. Nexus is a commercial mobile radio service ("CMRS") provider, proposing to offer prepaid wireless Lifeline service as an ETC in South Carolina.
2. Nexus has requested wireless, Lifeline-only ETC designation in South Carolina.
3. Nexus provides its prepaid wireless Lifeline and non-Lifeline services by reselling the wireless services of an underlying carrier, which provides wholesale capacity to many wireless resellers. The underlying carrier will provide Nexus with the wireless infrastructure and wireless transmission facilities needed for Nexus to offer services as a Mobile Virtual Network Operator ("MVNO"). Nexus will rely on Verizon Wireless to provide wireless services to both its Lifeline and non-Lifeline wireless services. Nexus will offer its Lifeline Wireless Service under the brand names "ReachOut Wireless".
4. Nexus has limited its requested Universal Service Fund ("USF") support to the Federal USF low income support program. Nexus certifies that all low income USF funding it receives will be used to provide a credit to its Lifeline eligible customers, consistent with 47 C.F.R. 54.403.
5. The Company's Compliance Plan, as approved by the FCC, is attached to and incorporated in this Stipulation. Nexus agrees to comply with all terms and conditions of the attached FCC approved Compliance Plan. Any changes or modifications to the Company's FCC

approved Compliance Plan must be filed with the Public Service Commission of South Carolina (“Commission”), with a copy to ORS, within five (5) days of filing at the FCC.

6. Nexus agrees to advertise the availability of Lifeline using media of general distribution.

7. Nexus is to offer Lifeline credits consistent with the rates, terms, and conditions contained in its rate schedules and website and will publish the availability and the pricing of these same offerings in an easily accessible form on its website or through a public forum accessible by Lifeline eligible low income consumers.

8. Until modified by the Commission, Nexus agrees to utilize the means test established by the FCC and set forth in 47 C.F.R. 54.409.

9. Nexus agrees to notify the Commission and the Office of Regulatory Staff ten (10) days in advance of any changes to its Lifeline rates in South Carolina, or the pricing, or changes in pricing of any additional minute plans offered to South Carolina Lifeline customers.

10. Nexus agrees to advertise on its website its rate plans and the price for additional minutes of use. Advertised rate plans to be consistent with schedules set forth on Pages 5 through 7 of the Compliance Plan; Advertised prices for additional minutes of use to be consistent with those set forth in paragraph 11.

11. Nexus agrees that Lifeline subscribers may purchase additional minutes on a prepaid basis in denominations of \$3.00 (30 minutes), \$5.00 (50 minutes), \$10.00 (120 minutes), \$20.00 (300 minutes), \$30.00 (500 minutes), and \$50.00 (950 minutes). Nexus acknowledges and agrees that certain rates contained in this Paragraph have been reduced from those rates contained in the Application and the Verified Testimony of Steven Fenker, and that the rates

contained in this Paragraph are those that will be offered and provided to customers in South Carolina should the Commission grant the designations sought herein.

12. Nexus agrees to provide Lifeline customers the federal lifeline credit of \$9.25 per month, consistent with 47 C.F.R. 54.403. In addition, Nexus agrees to provide all South Carolina Lifeline customers with a company funded \$3.50 credit. The Company may fulfill this commitment by offering a South Carolina Lifeline plan that provides 250 minutes of voice and text service without rollover and 125 voice and text with rollover at a monthly cost of \$0.00 in addition to Lifeline optional plans consistent with the plans outlined in the Company's FCC Approved Compliance plan. In the event the Commission, the FCC, or a court of competent jurisdiction issues a decision that a credit of \$3.50 is not required to be provided by ETCs to South Carolina Lifeline customers, the Parties agree that this Agreement will be modified to reflect that ruling.

13. Nexus agrees to allow qualifying low-income consumers to apply all applicable Lifeline discounts to any residential service plan that includes voice telephony service, including bundled packages of voice and data services; and plans that include optional calling features such as, but not limited to, caller identification, call waiting, voicemail, and three-way calling. Nexus may also permit qualifying low-income consumers to apply their Lifeline discount to family shared calling plans.

14. Nexus agrees that it will abide by all advertising, reporting and verification requirements established by the FCC and the Commission.

15. Nexus agrees to provide ORS any FCC Citations issued against the Company's Lifeline South Carolina customers, within five (5) days of notice to the Company by the FCC of the customer citation.

16. Nexus agrees that it will not seek reimbursement from the Federal USF for resold services where the Company receives the Lifeline credits through an underlying carrier.

17. Nexus agrees to file all reports requested by ORS or the Commission, including but not limited to: the "Telecommunications Company Annual Report," the "Authorized Utility Representative Form," the "Gross Receipts Form," and the "USF Worksheet." All of which may be found on the ORS website at www.regulatorystaff.sc.gov in the telecommunications forms and resources section.

18. Nexus agrees to file with the ORS a certified true copy of its Form 481, Form 497, and Form 555 filed with the Universal Service Administrative Company ("USAC"), including revisions thereto, no later than five (5) calendar days after the Form or revision is filed with USAC.

19. If the designations sought herein are granted, Nexus agrees to pay the annual gross receipts assessment in accordance with S.C. Code § 58-3-100 and S.C. Code § 58-4-60.

20. Nexus does not distinguish in the pricing of toll and non-toll calls. Should Nexus change its business model to include toll services, Nexus agrees to offer a toll blocking and/or limitation option without charge for Nexus Lifeline service at that time.

21. Nexus agrees to waive any and all activation fees for Lifeline customers.

22. Nexus agrees to implement or to participate in a program for initial certification and annual verification that insures that an eligible Lifeline customer only receives one Lifeline credit per residential address and must conform with its Compliance Plan on file with the FCC and 47 C.F.R. 54-410.

23. Nexus agrees to provide E911 compliant handsets to new Lifeline customers and replace any non-compliant handsets for its existing customers who are approved as Lifeline customers as part of its Basic Lifeline Service Plans at no charge.

24. Nexus agrees to distribute an informational card or brochure with the handset that provides the Lifeline customer with the Company name and contact information for the Company. The card or brochure will include a phone number providing access to Company service representatives without charge or deduction of minutes from the customers' minutes of use allowance.

25. If the designations sought herein are granted, Nexus will be supporting Universal Service in South Carolina based on its total South Carolina retail end user revenues, and must submit all documentation and Universal Service fees required by South Carolina.

26. Nexus agrees to submit a quarterly report to ORS demonstrating the number of Lifeline customers who have been deactivated by Nexus during the quarter due to: (1) non-payment on their customer account during two consecutive 30-day periods; (2) customer failure to comply with or pass the annual verification requirement; or (3) voluntary customer-requested deactivation. In addition, consistent with the annual reporting commitments contained in its approved Compliance Plan, Nexus agrees to file state specific reports with ORS.

27. Nexus agrees that ORS may examine the Company's records and documentation to ensure that the universal service support the Company receives is being used for the purpose for which it was intended. Nexus is required to provide such records and documentation to ORS upon request. Nexus agrees that if it fails to fulfill the requirements of the Act, the Commission's rules, or the terms of this agreement after it begins receiving universal service

support, the Commission or ORS may exercise its authority to seek revocation of Nexus's ETC designation.

28. Nexus agrees that its ETC designation is non-transferrable to new owners and is cancelled upon discontinuance of provision of service unless otherwise authorized by the Commission.

29. Nexus shall comply with all applicable state and federal laws, rules, and regulations regarding ETC designation and reporting requirements. More specifically, Nexus agrees to abide by the Commission regulations regarding designation of an ETC found in 10 S.C. Code Ann. Regs. 103-690 (2013) as well as requirements set out by the FCC for ETC designation and for participation in the Lifeline program (e.g. FCC Regulation Subpart E – Universal Service Support for Low-Income Consumers).

30. Subject to the provisions set forth herein, ORS does not oppose the Application of Nexus for designation as an eligible telecommunications carrier.

31. ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10(B) (Supp. 2012). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Stipulation reached among the Parties serves the public interest as defined above.

32. The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

33. The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, either Party is made aware of information that conflicts with, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, either Party may withdraw from the Stipulation with written notice to the other Party.

34. The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation.

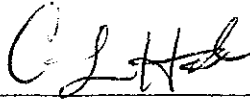
35. This Stipulation shall be interpreted according to South Carolina law.

36. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures

shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]

Representing the South Carolina Office of Regulatory Staff



Lessie Hammonds, Esquire

South Carolina Office of Regulatory Staff

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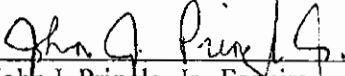
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PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

News Media Information 202/418-0500
Internet: <http://www.fcc.gov>
TTY: 1-888-835-6322

DA 12-2063

Release Date: December 26, 2012

**WIRELINE COMPETITION BUREAU APPROVES THE COMPLIANCE PLANS OF
AIRVOICE WIRELESS, AMERIMEX COMMUNICATIONS, BLUE JAY WIRELESS,
MILLENNIUM 2000, NEXUS COMMUNICATIONS, PLATINUMTEL COMMUNICATIONS,
SAGE TELECOM, TELRITE AND TELSCAPE COMMUNICATIONS**

WC Docket Nos. 09-197 and 11-42

The Wireline Competition Bureau (Bureau) approves the compliance plans of nine carriers: AirVoice Wireless, LLC (AirVoice); AmeriMex Communications Corp. (AmeriMex); Blue Jay Wireless, LLC (Blue Jay); Millennium 2000, Inc. (Millennium 2000); Nexus Communications, Inc. (Nexus); PlatinumTel Communications, LLC (PlatinumTel); Sage Telecom, Inc. (Sage); Telrite Corporation (Telrite); and Telscape Communications, Inc. d/b/a Telscape Wireless (Telscape). The compliance plans were filed pursuant to the *Lifeline Reform Order* as a condition of obtaining forbearance from the facilities requirement of the Communications Act of 1934, as amended (the Act), for the provision of Lifeline service.¹

The Act provides that in order to be designated as an eligible telecommunications carrier (ETC) for the purpose of universal service support, a carrier must "offer the services that are supported by Federal universal service support mechanisms . . . either using its own facilities or a combination of its own facilities and resale of another carrier's services . . ."² The Commission amended its rules to define voice telephony as the supported service and removed directory assistance and operator services, among other things, from the list of supported services.³ As a result of these amendments, many Lifeline-only ETCs that previously met the facilities requirement by providing operator services, directory assistance or other previously supported services no longer meet the facilities requirement of the Act.⁴ In the *Lifeline Reform Order*, the Commission found that a grant of blanket forbearance of the facilities requirement,

¹ See *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Red 6656, 6816-17, paras. 379-380 (2012) (*Lifeline Reform Order*). A list of the compliance plans approved through this Public Notice can be found in the Appendix to this Public Notice.

² 47 U.S.C. § 214(e)(1)(A).

³ See *Lifeline Reform Order*, 27 FCC Red at 6678, para. 47; see also 47 C.F.R. § 54.101(a).

⁴ See *Lifeline Reform Order*, 27 FCC Red at 6812, para. 366, App. A; *Connect America Fund et al.*, WC Docket 10-90, Order on Reconsideration, 26 FCC Red 17633, 17634-35, para. 4 (2011) (*USFIIICC Transformation Order on Reconsideration*). Some ETCs have included language in their compliance plans indicating that they have facilities or plan to acquire facilities in the future. See, e.g., Blanket Forbearance Compliance Plan, WC Docket Nos. 09-197 and 11-42, QLink Wireless, LLC's Third Amended Compliance Plan at 4 n. 2 (filed July 30, 2012). To the extent ETCs seek to avail themselves of the conditional forbearance relief established in the *Lifeline Reform Order*, we presume they lack facilities to provide the supported service under sections 54.101 and 54.401 of the Commission's rules. See 47 C.F.R. §§ 54.101 and 54.401. Such ETCs must comply with the compliance plan approved herein in each state or territory where they are designated as an ETC, regardless of their claim of facilities for other purposes, such as eligibility for state universal service funding.

subject to certain public safety and compliance obligations, is appropriate for carriers seeking to provide Lifeline-only service.⁵ Therefore, in the *Lifeline Reform Order*, the Commission conditionally granted forbearance from the Act's facilities requirement to all telecommunications carriers seeking Lifeline-only ETC designation, subject to the following conditions: (1) compliance with certain 911 and enhanced 911 public safety requirements; and (2) Bureau approval of a compliance plan providing specific information regarding the carrier and its service offerings and outlining the measures the carrier will take to implement the obligations contained in the *Order*.⁶

The Bureau has reviewed the nine plans listed in the Appendix for compliance with the conditions of the *Lifeline Reform Order* and now approves those nine compliance plans.⁷

Filings, including the Compliance Plans identified in the Appendix, and comments are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 448-5563, or via email www.bcpweb.com.

People with Disabilities: To request materials in accessible formats for people with disabilities (Braille, large print, electronic files, audio format), send an email to fcc504@fcc.gov or call the Consumer & Governmental Affairs Bureau at (202) 418-7400 or TTY (202) 418-0484.

For further information, please contact Michelle Schaefer, Telecommunications Access Policy Division, Wireline Competition Bureau at (202) 418-7400 or TTY (202) 418-0484.

-FCC-

⁵ See *Lifeline Reform Order*, 27 FCC Red at 6813-6817, paras. 368-381.

⁶ See *id.*, 27 FCC Red at 6814, 6819, paras. 373, 389. Subsequently, the Bureau provided guidance for carriers submitting compliance plans pursuant to the *Lifeline Reform Order*. *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, WC Docket Nos. 09-197 and 11-42, Public Notice, 27 FCC Red 2186 (Wireline Comp. Bur. 2012).

⁷ The Commission has not acted on any pending ETC petitions filed by these carriers, and this Public Notice only approves the compliance plans of the carriers listed above. While these compliance plans contain information on each carrier's Lifeline offering, we leave it to the designating authority to determine whether or not the carrier's Lifeline offerings are sufficient to serve consumers. See *Lifeline Reform Order*, 27 FCC Red at 6679-80, 6818-19, paras. 50, 387.

APPENDIX

Petitioner	Compliance Plans As Captioned by Petitioner	Date of Filing	Docket Numbers
AirVoice Wireless, LLC	AirVoice Wireless, LLC's Amended Compliance Plan	December 7, 2012	09-197; 11-42
AmeriMex Communications Corp.	AmeriMex Communications Corp. Revised Compliance Plan	December 6, 2012	09-197; 11-42
Blue Jay Wireless, LLC	Blue Jay Wireless, LLC Compliance Plan	November 30, 2012	09-197; 11-42
Millennium 2000 Inc.	Amended Compliance Plan of Millennium 2000 Inc.	December 18, 2012	09-197; 11-42
Nexus Communications, Inc.	Third Amended Compliance Plan of Nexus Communications, Inc.	December 4, 2012	09-197; 11-42
PlatinumTel Communications, LLC	PlatinumTel Communications LLC's Revised Compliance Plan	December 19, 2012	09-197; 11-42
Sage Telecom, Inc.	Revised Compliance Plan of Sage Telecom, Inc.	December 19, 2012	09-197; 11-42
Telrite Corporation	Telrite Corporation Compliance Plan	November 29, 2012	09-197; 11-42
Telscape Communications Inc. d/b/a Telscape Wireless	Revised Compliance Plan of Telscape Communications, Inc.	December 19, 2012	09-197; 11-42



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VIA ECFS

December 4, 2012

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: WC Dockets 09-197 and 11-42
Third Amended Compliance Plan of Nexus Communications, Inc.**

Dear Secretary Dortch:

Pursuant to the Commission's *Lifeline Reform Order*,¹ please find attached the Third Amended Compliance Plan of Nexus Communications, Inc. ("Nexus").

The only edits made to the plan in this third amendment were made on page 12. Specifically, Nexus added the word "Nexus" in the first full sentence on that page, and it also added footnote 21, which reads "[a]ll third-party representatives are accountable to Nexus for purposes of compliance with state and federal Lifeline rules."

Nexus respectfully requests expedited approval of its Amended Compliance Plan. Please contact me if you have any questions regarding this filing.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Danielle Frappier', with a stylized flourish at the end.

Danielle Frappier

¹ *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (rel. Feb. 6, 2012); *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, Public Notice, DA 12-314 (WCB rel. Feb. 29, 2012).

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of

**Lifeline and Link Up Reform and
Modernization**

**Telecommunications Carriers Eligible to
Receive Universal Service Support**

**Nexus Communications, Inc. Petition for
Designation as an Eligible Telecommunications
Carrier for Low Income Support Only**

WC Docket No. 11-42

WC Docket No. 09-197

THIRD AMENDED COMPLIANCE PLAN OF NEXUS COMMUNICATIONS, INC.

**Danielle Frappier
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(202) 973 - 4242**

Counsel to Nexus Communications, Inc.

December 4, 2012

TABLE OF CONTENTS

SUMMARY	i
I. INFORMATION ABOUT NEXUS AND THE LIFELINE PLANS IT OFFERS	2
A. Company Information	2
B. Nexus' Financial and Technical Capabilities to Provide Lifeline Service	3
C. Geographic Area of Nexus' Service Offerings	5
D. Nexus' Lifeline Service Plans	5
E. Other Certifications Required by 47 C.P.R. § 54.202	7
II. NEXUS' COMPLIANCE WITH NEW COMMISSION RULES RELATING TO DETERMINATIONS OF SUBSCRIBER ELIGIBILITY FOR LIFELINE SERVICES	8
A. Nexus' Procedures to Determine Consumer Eligibility for the Lifeline Program	9
B. Nexus' Procedures for Subscriber Certifications	11
C. Nexus' Procedures for Annual Re-certification of Lifeline Subscribers	15
III. NEXUS' COMPLIANCE WITH THE FORBEARANCE CONDITIONS RELATING TO PUBLIC SAFETY AND 911/E911 ACCESS	16
IV. NEXUS' COMPLIANCE WITH THE COMMISSION'S MARKETING AND DISCLOSURE REQUIREMENTS FOR PARTICIPATION IN THE LIFELINE PROGRAM. 17	
V. NEXUS' PROCEDURES AND EFFORTS TO PREVENT WASTE, FRAUD AND ABUSE IN CONNECTION WITH LIFELINE FUNDS	18
VI. CONCLUSION	21

SUMMARY

Nexus Communications, Inc. ("Nexus") hereby seeks to avail itself of the Commission's grant of forbearance from the "own facilities" requirement by submission of this Amended Compliance Plan. Nexus is submitting simultaneously with this Amended Compliance Plan a Second Amendment to its pending Petitions for designation as an ETC. Nexus fully complies with all conditions of the recently-amended Lifeline rules and all pertinent conditions in the *Lifeline Reform Order*.

Nexus is technically and financially qualified to provide Lifeline service. Nexus became a CLEC in 2001 and received its first ETC designation in 2006. Nexus is designated as an ETC in 26 states and provides wireline service as an ETC in 13 states, and wireless service in 18 states. Nexus is successfully providing Lifeline-supported services and has a steadily increasing subscriber base. Nexus is financially stable and is fully capable of honoring its service obligations. Nexus offers Lifeline subscribers multiple wireless calling plans to choose from, which are detailed herein.

Nexus complies with the requirements pertaining to consumer qualifications for Lifeline set forth in new 47 C.P.R. § 54.409 and any state-specific requirements. More specifically, unless otherwise required under applicable state law, Nexus requires all subscribers to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines; or (2) the household's participation in one of the federal assistance programs listed in the Commission's rules. Nexus confirms that neither the subscriber nor anyone else in the subscriber's household is subscribed to a Lifeline service. This Amended Compliance Plan describes the procedures by which Nexus: (1) analyzes the eligibility of applicants to obtain Lifeline service; (2) obtains proof of eligibility from applicants; (3) certifies the eligibility of applicants; (4) collects the necessary information from applicants; (5) requires applicants to

certify as to their eligibility to receive Lifeline benefits; and (6) annually re-certifies all Lifeline subscribers. Nexus has included as an exhibit its Lifeline applications forms for wireline and wireless services.

Nexus' practices comply with the 911/E911 access conditions set forth in the *Lifeline Reform Order*. Specifically, Nexus provides its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated- regardless of activation status and availability of minutes- and provides its Lifeline subscribers with E911-compliant handsets. Nexus' practices provide access to 911/E911 services to the extent these services have been deployed by its underlying carrier. Nexus commits to continue these practices going forward.

Nexus has incorporated in its marketing materials for its Lifeline services, in clear, easily understood language, the various disclosures required by 47 C.F.R. § 54.405. Nexus has attached a representative sample of its marketing materials incorporating these disclosures.

Nexus shares the Commission's commitment to minimize waste, fraud and abuse of Lifeline benefits. Accordingly, Nexus has implemented procedures intended to prevent duplicate Lifeline benefits from being awarded to the same household or individual. These measures include practices intended to: (1) prevent duplicates within Nexus' subscriber base; (2) avoid reimbursement for any subscriber until the subscriber activates service; (3) ceasing reimbursement for subscribers who fail to use the service for a 60-day period; and (4) ensuring that Nexus provides only one Lifeline service per household.

As detailed below, Nexus' practices and procedures comply with the Commission's applicable Lifeline regulations and orders, and Nexus commits to continuing these practices going forward. Accordingly, Nexus respectfully requests expeditious approval of its pending Petitions and this Amended Compliance Plan.

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Lifeline and Link Up Reform and
Modernization

Telecommunications Carriers Eligible to
Receive Universal Service Support

Nexus Communications, Inc. Petition for
Designation as an Eligible Telecommunications
Carrier for Low Income Support Only

WC Docket No. 11-42

WC Docket No. 09-197

AMENDED COMPLIANCE PLAN OF NEXUS COMMUNICATIONS, INC.

Nexus Communications, Inc. ("Nexus"), through its undersigned counsel, hereby seeks to avail itself of the Federal Communications Commission's ("Commission") grant of forbearance from the "own facilities" requirement set forth in 47 U.S.C. § 214(e)(1)(A) by submission of this Amended Compliance Plan. Nexus' Amended Compliance Plan is filed in accordance with the procedures established in the *Lifeline Reform Order*¹ and clarified the *Public Notice* issued by the Wireline Competition Bureau on February 29, 2012.² Nexus is submitting simultaneously

¹ *Lifeline and Link Up Reform and Modernization et al.*, WC Dockets No. 11-42 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, FCC 12-11 (FCC, rel. Feb. 6, 2012) ("*Lifeline Reform Order*"). Nexus believes that there may still exist a good faith basis for it to continue to operate as a facilities-based carrier. Under the Commission's recently amended regulations governing the Lifeline program, however, it appears that retaining its facilities-based status no longer provides any material benefits to Nexus or its subscribers. Should this change in the future, Nexus reserves the right to seek relief from the Commission to reinstate its status as a facilities-based carrier under applicable federal law. Nonetheless, Nexus acknowledges that its Amended Compliance Plan, once approved by the Commission, will apply in all states even if Nexus is deemed to operate as a facilities-based carrier in certain state(s).

² *Wireline Competition Bureau Provides Guidance for the Submission of Compliance Plans Pursuant to the Lifeline Reform Order*, Public Notice, DA 12-314 (WCB, rel. Feb. 29, 2012) ("*Public Notice*").

with this Amendment Compliance Plan a Second Amendment³ to its pending Petitions for designation as an eligible telecommunications carrier ("ETC").⁴

Nexus respectfully requests expeditious approval of its Petitions and its Amended Compliance Plan so it may continue to provide essential Lifeline service to eligible low-income subscribers in states where it currently operates and may provide eligible low-income consumers Lifeline wireless service options in additional states in the future. Nexus also requests expeditious approval of its Amended Compliance Plan because the company has filed an application to participate in the Commission's Lifeline Broadband Pilot Program.

As set forth below, Nexus fully complies with all conditions set forth in the Commission's recently-amended Lifeline rules and with all pertinent conditions set forth in the *Lifeline Reform Order*. This Amended Compliance Plan describes the measures Nexus has implemented in order to achieve full compliance with the Commission's Lifeline rules and policies, and Nexus commits to continuing these practices going forward. For the convenience of the Commission, this Amended Compliance Plan follows the format established by the Wireline Competition Bureau in the *Public Notice*.

I. INFORMATION ABOUT NEXUS AND THE LIFELINE PLANS IT OFFERS

A. Company Information

Nexus is 100% owned by Steven Fenker, Nexus' President. It is organized under Ohio law and is headquartered in Columbus, Ohio. Nexus has no holding company. Nexus owns

³ *Nexus Communications, Inc. Petition for Designation as an Eligible Telecommunications Carrier for Low Income Support Only*, Second Amendment to Petitions, W€ Docket No. 09-197 (filed August 3, 2012).

⁴ *Petition of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier for Low Income Support Only*, Petition, W€ Docket No. 09-197 (filed April 5, 2011; amended April 24, 2012 and further amended August 3, 2012); *Petition of Nexus Communications, Inc. for Designation as an Eligible Telecommunications Carrier for Low Income Support Only*, Petition, W€ Docket No. 09-197 (filed June 3, 2011; amended April 24, 2012 and further amended August 3, 2012).

100% of Telecom Services, Inc., but that company does not provide telecommunications services.

Nexus operates its wireline business under the names TSI and TSI Telephone Company, and operates its wireless business under the name ReachOut Wireless.⁵

B. Nexus' Financial and Technical Capabilities to Provide Lifeline Service

Nexus has been in business since 2000. Nexus became a competitive local exchange carrier in 2001 and received its first ETC designation in June 2006. Nexus now focuses on providing service to low-income consumers. Nexus initially began providing its services over wireline technology, and has responded to strong subscriber demand by offering wireless technology as well. Nexus was one of the first telecommunications providers to recognize the low-income market segment as a business opportunity rather than a regulatory burden. Its success in the market is based on its willingness to tailor its services to the specific needs of low-income consumers, including the budget management tools and mobility that prepaid wireless services provide.

Nexus has been designated as an ETC in a total of 26 states.⁶ It provides wireline service as an ETC in 13 states,⁷ and wireless service as an ETC in 18 states.⁸ Nexus does not seek, and

⁵ Nexus' wireline facilities differ from its wireless operations and Nexus believes that its wireline facilities continue to meet the "own facilities" requirements of 47 U.S.C. § 214(e)(1)(A) even after the recent Commission orders and amendments to the statute implementing regulation found at 47 C.F.R. § 54.101. Nevertheless, there is now little practical difference between having facilities-based and forbearance status. In light of the foregoing and the fact that Nexus is a single entity with both wireline and wireless operations, Nexus has determined that for purposes of its own administrative convenience, it seeks forbearance for all of Nexus' operations—both wireline and wireless.

⁶ Those states are Alabama, Arkansas, California, Florida, Georgia, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, West Virginia and Wisconsin.

⁷ Those states are Alabama, Arkansas, Illinois, Kansas, Louisiana, Michigan, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Wisconsin. Although Nexus has been designated a wireline ETC in Florida and Kentucky, it currently only provides services on a resold basis in these states. In other words, Nexus resells the wireline services of an ILEC, which passes through a Lifeline discount on the wholesale line it sells to Nexus. Nexus does not file FCC Form 497s for its

will not accept, High Cost support in any of those states. Nexus is successfully providing Lifeline supported services in these states and has a steadily increasing subscriber base. Nexus' management has many years of experience in the telecommunications industry. Nexus' President Steven Fenker has held management positions in the telecommunications industry for 28 years. Also part of the Nexus' senior management team is Mark Deek, who has 15 years of experience in the telecommunications industry, with particular expertise in intercarrier relations, and subscriber care and billing database management.

In order to provide wireless Lifeline services, Nexus purchases wireless minutes from a national carrier (Verizon Wireless) that is widely-recognized for the quality and reliability of its wireless network. Nexus supplements this robust wireless network with its own network facilities, back-office and operations support systems, which Nexus operates and are ideally suited to serve lower revenue subscribers. Nexus has made a significant financial investment to evaluate, design, develop and integrate these systems. With respect to this network investment, Nexus owns and operates its own switching and other facilities located in the state of Ohio, which are housed in a Tier IV co-location facility.⁹

Nexus has good relationships with the commissions in the states in which it operates. Moreover, Nexus is financially stable and fully capable of honoring its service obligations to subscribers and federal and state regulatory obligations. Although Nexus currently derives the

wireline operations in these states. Nevertheless, Nexus seeks forbearance for its ETC designations in Florida and Kentucky.

⁸ Those states are Arkansas, California, Georgia, Iowa, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, Ohio, Rhode Island, West Virginia and Wisconsin.

⁹ Because Nexus owns and operates its own network facilities, Nexus reserves the right to demonstrate to a state public utilities commission that it provides service using its own facilities in a state for purposes of a state-level universal service funding under state program rules and requirements. Nonetheless, as explained in note 1, Nexus acknowledges that its Amended Compliance Plan, once approved by the Commission, will apply in all states even if Nexus is deemed to operate as a facilities-based carrier in certain state(s).

majority of its revenue from the sale of prepaid wireless services, Nexus does not rely exclusively on disbursements from the Lifeline program to operate. For example, Nexus derives additional revenue from the sale of wireline and wireless services to non-Lifeline subscribers, and the sale of optional replenishment airtime and text minutes.

C. Geographic Area of Nexus' Service Offerings

Nexus first began providing wireline ETC service in the second quarter of 2006 and the company now provides this service in the following states: Alabama, Arkansas, Illinois, Kansas, Louisiana, Michigan, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas and Wisconsin. Further, it provides wireline Lifeline service on a resold basis in Florida and Kentucky.¹⁰

In the second quarter of 2009, Nexus began to offer wireless services in recognition of the high demand for such services in the communities it services. Consumers indicated a strong preference for mobile wireless services and Nexus has worked to satisfy this demand by growing and investing in wireless technology. Nexus' wireless offerings have been very successful with low-income consumers and the company now provides prepaid wireless ETC service in the following states: Arkansas, California, Georgia, Iowa, Illinois, Kansas, Louisiana, Maine, Maryland, Michigan, Mississippi, Missouri, Nevada, New Jersey, Ohio, Rhode Island, West Virginia and Wisconsin.¹¹

D. Nexus' Lifeline Service Plans

Nexus offers the following prepaid wireless service plans for its Lifeline subscribers:

¹⁰ See *supra* note 7. Nexus will comply with the requirements listed at the newly-revised 47 C.F.R. § 54.417(c) for resellers for its resale operations in Florida and Kentucky. To the extent that Nexus avails itself of its ETC status in these states, it will comply with all applicable Commission rules.

¹¹ Nexus received wireless ETC authority in Oklahoma on March 21, 2012. However, Nexus does not intend to launch wireless service in Oklahoma until it has secured approval of its Amended Compliance Plan from the Commission.

250 Minute Plan (non-rollover) (all states except California): Minutes are "anytime" minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic Short Message Service ("SMS") text messages do not carry over to the following month. SMS text messaging is available at a rate of one text per minute of airtime.

125 Minute Plan (rollover) (all states except California): Minutes are "anytime" minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic SMS text messages carry over to the following month. SMS text messaging is available at a rate of one text per minute of airtime.

68 Minute Plan (rollover) (all states except California): Minutes are "anytime" minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or domestic SMS text messages carry over to the following month. Domestic SMS text messaging is available at a rate of two text messages per each minute of airtime. Nexus does not actively market the 68 Minute Plan and, although technically still available to subscribers because it was part of the offerings approved by the relevant state commissions, it is rarely selected except by a few subscribers who infrequently use voice service and more frequently send text messages.

California 250 Minute Plan: Minutes are "anytime" minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or SMS text messages do not carry over to the following month. Domestic SMS text messaging is available at a rate of one text message per each minute of airtime. There is a minimum out-of-pocket charge of \$2.50 per month.

California 500 Minute Plan: Minutes are "anytime" minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or SMS text messages do not carry over to the following month. Domestic SMS text messaging is available at a rate of one text message per each minute of airtime. There is a minimum out-of-pocket charge of \$5.00 per month.

California 1000 Minute Plan: Minutes are "anytime" minutes and can be used for domestic calls, including local or intrastate/interstate long distance calls. Unused minutes or SMS text messages do not carry over to the following month. Domestic SMS text messaging is available at a rate of one text message per each minute of airtime. There is a minimum out-of-pocket charge of \$20.00 per month.

All plans include at no extra charge one E911-compliant handset and "anytime" nationwide minutes that can be used for domestic calls, including local or intrastate/interstate long distance calls.

Nexus' Lifeline subscribers in states other than California may purchase additional minutes on a prepaid basis in denominations of \$3.00 (20 minutes), \$5.00 (40 minutes), \$10.00

(120 minutes), \$20.00 (300 minutes), \$30.00 (500 minutes) and \$50.00 (950 minutes). Nexus also offers an unlimited talk and text additional airtime card. This card provides unlimited local and domestic long distance calling, and unlimited text messaging for thirty (30) calendar days. The cost to Lifeline subscribers is \$26.50.

Nexus' California subscribers may purchase additional minutes on a prepaid basis in denominations of \$3.00 (91 minutes), \$5.00 (152 minutes), \$10.00 (304 minutes), \$20.00 (607 minutes), \$30.00 (910 minutes) and \$50.00 (1,516 minutes), all billed at \$0.033 per minute. All minutes are valid for 30 days from date of replenishment. Nexus' California subscribers may also purchase the unlimited talk and text additional airtime card.

International SMS text messaging is available at a rate of \$0.20 for each international text sent or received. The rate for directory assistance calls is \$1.50 per request. Nexus permits Lifeline subscribers to block international calls at no additional charge. There is no deduction of minutes for calls to 911 or Nexus' subscriber service department.

Calls from the handset for checking or retrieving voicemails count against the voice minutes provided by the plan. Calls from a source other than the handset checking or retrieving voicemail messages and incoming calls that leave a voicemail message are free to Nexus subscribers. Calls to 911 emergency services are always free, and may be made regardless of service activation or availability of minutes.

E. Other Certifications Required by 47 C.F.R. § 54.202

The *Public Notice* requires carriers to include certifications required under recently amended 47 C.F.R. § 54.202. Nexus hereby certifies that it does and will continue to comply with the service requirements applicable to the support it receives.¹² Specifically, Nexus' Lifeline services: (i) include voice telephony services that provide voice grade access to the

¹² 47 C.F.R. § 54.202(a)(1).

public switched network or its functional equivalent; (ii) provide subscribers with a defined number of minutes of usage for local service at no additional charges, as described above in Section II(0); (iii) provide subscribers with access to the emergency services provided by local government or other public safety organizations, such as 911/E911 to the extent the local government in Nexus' service area has implemented 911/E911 systems, as described below in Section III; and (iv) toll limitation for qualifying low-income consumers.¹³

II. NEXUS' COMPLIANCE WITH NEW COMMISSION RULES RELATING TO DETERMINATIONS OF SUBSCRIBER ELIGIBILITY FOR LIFELINE SERVICES

Nexus complies with the requirements pertaining to consumer qualifications for Lifeline set forth in section 54.409 of the Commission's rules¹⁴ and any state-specific requirements in the various states in which Nexus has been (or will be) designated an ETC. More specifically, Nexus requires all subscribers to demonstrate eligibility based at least on: (1) household income at or below 135% of the Federal Poverty Guidelines for a household of that size; or (2) the household's participation in one of the federal assistance programs listed in 47 C.F.R. § 54.409(a)(2) or 47 C.F.R. § 54.409(a)(3). Nexus also confirms that the subscriber is not already receiving a Lifeline service and that no one else in the subscriber's household is subscribed to a Lifeline service.¹⁵

¹³ Toll limitation means both toll blocking and toll control, or, if a carrier is not capable of providing both toll blocking and toll control, then toll limitation is defined as either toll blocking or toll control. Nexus will meet the requirement to provide toll limitation to Lifeline subscribers by offering service on a prepaid, or pay-as-you-go, basis, as well as toll blocking for international calls. As the Commission found in its grant of ETC designation to Virgin Mobile, "the prepaid nature of [a prepaid wireless carrier's] service offering works as an effective toll control." *Virgin Mobile USA, L.P. Petition for Forbearance from 47 U.S.C. § 214(e)(1)(A)*, Order, 24 FCC Red 3381, 3394 at ¶ 34 (2009). Moreover, Nexus will provide traditional toll blocking for international calls to qualifying low-income consumers at no additional charge. Nexus also provides its users with the ability to monitor their minute usage and balance as an additional means of controlling their communications budget.

¹⁴ 47 C.F.R. § 54.509.

¹⁵ 47 C.F.R. § 54.409(c).

Nexus uses a variety of outreach programs for its Lifeline supported services, which include direct mail, Internet advertising, and radio and television advertising. Nexus also reaches potential subscribers through retail marketing, including kiosks and point-of-sale promotional materials located in third-party retail establishments, as well as one retail establishment owned by Nexus. Each channel is intended to induce potential subscribers to contact Nexus either in person, over the Internet or by telephone. Although the logistics of the enrollment process varies somewhat for each channel as is further described below, in **all cases, Lifeline applicants are thoroughly screened to ensure that they are qualified before a handset is delivered.**

A. Nexus' Procedures to Determine Consumer Eligibility for the Lifeline Program

Analysis of Lifeline Eligibility. If Nexus cannot determine an applicant's eligibility for Lifeline by accessing income or program eligibility databases, Nexus personnel (either employees, third-party subscriber service representatives or authorized agents in third-party retail establishments) review documents to establish eligibility in accordance with the criteria set forth in 47 C.F.R. § 54.409. All Nexus personnel who interact with existing Lifeline subscribers or Lifeline applicants have been fully trained in assisting Lifeline applicants with Lifeline eligibility. All Nexus personnel and authorized third-party representatives have been trained to answer questions about Lifeline requirements, and how to review required documentation to determine whether it satisfies the *Lifeline Reform Order* and state-specific eligibility requirements using state specific checklists. That being said, the final review and determination of the sufficiency of documentation is conducted by Nexus employees or authorized agents directly trained by Nexus employees. All Nexus personnel and authorized third-party representatives involved in enrolling Lifeline applicants have been trained on the Commission's

revised Lifeline eligibility rules and Nexus' practices and policies designed to implement these new rules.

Proof of Lifeline Eligibility. Nexus follows the Commission's requirements pertaining to acceptable documentation to establish eligibility based either on income level or participation in a qualified government assistance program. Specifically, acceptable documentation of program eligibility includes: (1) the current or prior year's statement of benefits from a qualifying state, federal or Tribal program; (2) a notice letter of participation in a qualifying state, federal or Tribal program; (3) program participation documents (e.g., the consumer's Supplemental Nutrition Assistance Program ("SNAP") electronic benefit transfer card or Medicaid participation card (or copy thereof); or (4) another official document evidencing the consumer's participation in a qualifying state, federal or Tribal program.¹⁶ Acceptable documentation of income eligibility includes: (1) the prior year's state, federal, or Tribal tax return; (2) current income statement from an employer or paycheck stub; (3) a Social Security statement of benefits; (4) a Veterans Administration statement of benefits; (5) a retirement/pension statement of benefits; (6) an Unemployment/Workers' Compensation statement of benefit; (7) federal or Tribal notice letter of participation in General Assistance; (8) or a divorce decree, child support award, or other official document containing income information. If the applicant presents Nexus with documentation of income that does not cover a full year, the applicant must present the same type of documentation covering three consecutive months within the previous twelve months.¹⁷

Nexus subscribers may provide the documentation in person, via fax or e-mail, or they may mail copies to Nexus. Nexus maintains detailed, accurate records identifying the data

¹⁶ *Lifeline Reform Order* at ¶ 101.

¹⁷ 47 C.F.R. § 54.410(b)(1)(i)(B).

source used to determine a subscriber's eligibility or the documentation the subscriber provided to demonstrate eligibility for Lifeline. The specifically-trained personnel in charge of reviewing all incoming Lifeline applications examine and electronically record in its subscriber service and billing database the type of documentation presented by each prospective Lifeline subscriber,¹⁸ including the date of review, the identity of the documentation, the type of media (e.g., paper, electronic card, etc.), and the issuance and/or expiration date of the documentation. Nexus' database includes separate data entry fields for this information, eliciting a response for each type of information, and will reject the order if any such field is not completed. If an applicant is unable to provide documentary proof of eligibility based on either household income level or current participation in a qualified program, Nexus denies that application.

B. Nexus' Procedures for Subscriber Certifications

In the *Lifeline Reform Order*, the Commission established a path for a transition to a national, governmental database that will be used to confirm the initial and continued eligibility of a Lifeline applicant or subscriber.¹⁹ Nexus will utilize that database when it becomes operational.²⁰ Until that time, however, Nexus will continue to adhere to the following procedures for enrolling prospective subscribers into the Lifeline program.

Nexus has implemented certification procedures that enable prospective subscribers to demonstrate their eligibility by contacting Nexus either in person or by telephone, facsimile, over the Internet, or other electronic transmission. The personnel involved in enrolling Lifeline applicants verbally recite the certifications to Lifeline applicants where when enrolling in person

¹⁸ 47 C.F.R. § 54.410(b)(1)(iii); 47 C.F.R. § 54.410(c)(1)(iii).

¹⁹ See *Lifeline Reform Order* at ¶ 403.

²⁰ On its new certification forms that were revised to encompass the requirements of the Commission's *Lifeline Reform Order*, Nexus obtains consent from each applicant to provide "any records required" for the administration of the Lifeline program including so that such information may be used in a Lifeline database. In order to ensure that it has the same consent from subscribers that applied using prior Nexus forms, Nexus has included nearly identical language on its annual re-certification forms and scripts.

or over the phone. In any retail locations (except those with kiosks), Nexus' authorized third-party representatives²¹ initially examine the qualifying documentation in person (which documentation will be forwarded to Nexus personal specifically trained in reviewing Lifeline qualifying documentation for further review) or, if the applicant does not have the documentation at the time, direct the applicant to supply the documentation via fax, mail or email. All applicants who do not have the requisite documentation at the time are informed that their Lifeline application will not be processed until the applicant provides the required documentary proof of eligibility. Prospective subscribers who do not complete Nexus' Lifeline Application in person must return the signed document and eligibility documentation to Nexus by mail, facsimile, electronic mail or other electronic transmission. Nexus accepts electronic signatures that meet the requirements of the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. §§ 7001-7006 and any applicable state laws.²²

Each prospective subscriber is required to complete and sign Nexus' "Lifeline Application." Samples of this document are provided as Exhibit I. Nexus has modified its Lifeline Application as necessary for use in certain states that have specific requirements, such as additional qualifying programs, but the operative language of Exhibit I will remain constant. Nexus's Lifeline Application conforms to the requirements of the *Lifeline Reform Order*, 47 C.F.R. § 54.410(d) and 47 C.F.R. § 54.405.

Information Collected. Nexus collects the following information from prospective subscriber in its Lifeline Application form: (1) the subscriber's full name; (2) the subscriber's full residential address (P.O. Boxes are not permitted); (3) whether the residential address is permanent or temporary; (4) the subscriber's billing address, if different; (5) the subscriber's date

²¹ All third-party representatives are accountable to Nexus for purposes of compliance with state and federal Lifeline rules.

²² See *Lifeline Reform Order* at ¶ 168; 47 C.F.R. § 54.419.

of birth; (6) the last four digits of the subscriber's Social Security number (or Tribal identification number if the subscriber is a member of a Tribal nation and does not have a Social Security number²³); (7) if the subscriber is seeking to qualify for Lifeline under the program-based criteria, the name of the qualifying assistance program from which the subscriber, or his or her dependents, or his or her household receives benefits; and (8) if the subscriber is seeking to qualify for Lifeline under the income-based criterion, the number of individuals in his or her household.²⁴

Applicant Certifications. In accordance with 47 C.F.R. § 54.410(d), in its Lifeline Application, Nexus requires all Lifeline applicants to certify, under penalty of perjury, that: (1) the subscriber meets the income- or program-based eligibility criteria for receiving Lifeline; (2) the subscriber will notify Nexus within 30 days if, for any reason, he or she no longer satisfies the criteria for receiving Lifeline including, as relevant, if the applicant no longer meets the income- or program-based criteria for receiving Lifeline support, the subscriber is receiving more than one Lifeline benefit, or another member of the subscriber's household is receiving a Lifeline benefit; (3) if the subscriber is seeking to qualify for Lifeline as an eligible resident of Tribal lands, that he or she lives on Tribal lands;²⁵ (4) if the subscriber moves to a new address, that he or she will provide that new address to Nexus within 30 days; (5) if the subscriber provided a temporary residential address to Nexus, the subscriber will be required to verify his or her temporary residential address every 90 days; (6) the subscriber's household will receive only one Lifeline service and, to the best of the applicant's knowledge, the subscriber's household is not already receiving a Lifeline service; (7) the information contained in the subscriber's

²³ Nexus will only include language regarding a Tribal identification number on forms used in states with Tribal areas.

²⁴ 47 C.F.R. § 54.410(d)(2).

²⁵ Because Nexus' designated service includes only two states with Tribal lands (Oklahoma and Rhode Island), only Nexus' Lifeline Application specifically for those states include this certification.

application/certification form is true and correct to the best of the subscriber's knowledge; (8) the subscriber acknowledges that providing false or fraudulent information to receive Lifeline benefits is punishable by law; and (9) the subscriber acknowledges that he or she may be required to re-certify his or her continued eligibility for Lifeline at any time, and that his or her failure to re-certify as to continued eligibility will result in de-enrollment and the termination of the subscriber's Lifeline benefits, and (10) that the applicant authorizes Nexus to access any state or federal records or database to verify his or her eligibility, and authorizes Nexus to release any records required for administration of the program, including to USAC to be used in the national Lifeline database and that failure to so authorize Nexus will result in a denial of Lifeline benefits.²⁶ The Lifeline Application also describes the information that is transmitted, that the information is being transmitted to USAC to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service. Prospective applicants must affirmatively certify to each of these certifications in order for the application process to move forward, including those applying online. For those applying online, Nexus' website does not permit the applicant to submit the application unless all certifications have been completed. Subscribers also may certify via interactive voice response ("IVR"), which is then saved as a recorded file and saved in the subscriber's account in Nexus' subscriber care and billing system.

In accordance with 47 C.F.R. § 54.410(d)(1), Nexus' Lifeline Application discloses the following information: (1) Lifeline is a federal benefit and willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program; (2) only one Lifeline service is available per household; (3) a household is defined, for purposes of the Lifeline program, as any individual or group of individuals who live together at

²⁶ See Exhibit I.

the same address and share income and expenses; (4) a household is not permitted to receive Lifeline benefits from multiple providers; (5) violation of the one-per-household limitation constitutes a violation of the Commission's rules and will result in the subscriber's de-enrollment from the program; and (6) Lifeline is a non-transferable benefit and the subscriber may not transfer his or her benefit to any other person.²⁷

Finally, in accordance with 47 C.F.R. § 54.405(c), Nexus' Lifeline Application indicates, using easily understood language, (1) that the service is a Lifeline service; (2) that Lifeline is a government assistance program; (3) that the service is non-transferrable; (4) that only eligible consumers may enroll in the program; and (5) that the program is limited to one discount per household.²⁸

C. Nexus' Procedures for Annual Re-certification of Lifeline Subscribers

In accordance with the requirements of the *Lifeline Reform Order* and 47 C.F.R. § 54.410(f), Nexus annually recertifies all of its Lifeline subscribers by either (1) querying the appropriate eligibility or income databases, confirming that the subscriber continues to meet the program- or income-based eligibility requirements for Lifeline and documenting the results of that review, or (2) obtaining a signed certification from the subscriber that meets the certification requirements set forth in 47 C.F.R. § 54.410(d). **Nexus' annual re-certification form includes a confirmation from the subscriber that the applicant's household receives only one Lifeline benefit and, to the best of the subscriber's knowledge, the subscriber's household is receiving no more than one Lifeline benefit. Additionally, Nexus' re-certification materials inform the subscriber that he or she is being contacted to re-certify his or her continuing eligibility for Lifeline and if the subscriber fails to respond, he or she will be de-enrolled in the program.**

²⁷ *Id.*

²⁸ *Id.*

For 2012, Nexus began re-certifying the eligibility of its Lifeline subscriber base on June 1, 2012 on a rolling basis. Nexus will complete this process by the end of 2012 and will report the results to USAC by January 31, 2012.²⁹ Nexus will notify its subscribers in writing that a failure to respond to the re-certification request will result in de-enrollment in the Lifeline program.³⁰ Nexus will de-enroll subscribers who do not respond to the annual re-certification or fail to provide proof of continued eligibility in accordance with the procedures set forth in 47 C.F.R. § 54.405(e)(4).

III. NEXUS' COMPLIANCE WITH THE FORBEARANCE CONDITIONS RELATING TO PUBLIC SAFETY AND 911/E911 ACCESS

Nexus' practices comply with the 911/E911 access conditions set forth in paragraph 373 of the *Lifeline Reform Order*. Specifically, Nexus: (1) provides its Lifeline subscribers with 911/E911 access at the time Lifeline service is initiated, regardless of activation status and availability of minutes, and (2) provides its Lifeline subscribers with E911-compliant handsets and replaces, at no additional charge to the subscriber, noncompliant handsets of Lifeline-eligible subscribers who obtain Lifeline-supported services. Nexus' practices provide access to 911/E911 services to the extent that these services have been deployed by its underlying wireless carrier. Nexus commits to continue these practices going forward.

Nexus will provide its Lifeline subscribers with access to 911/E911 services immediately upon activation of service. The Commission and consumers are assured that all Nexus subscribers will have available access to emergency calling services at the time that Lifeline service is initiated, and that such 911/E911 access will be available from Nexus handsets even if the account associated with the handset has no minutes remaining.

²⁹ *Lifeline Reform Order* at ¶ 130.

³⁰ *Id.* at ¶ 142.

Nexus' existing practices currently provide access to 911/E911 services for all subscribers. Nexus uses Verizon Wireless as its underlying network carrier. Verizon Wireless routes 911 calls from Nexus' subscribers in the same manner as 911 calls from Verizon Wireless' own retail subscribers. To the extent that Verizon Wireless is certified in a given PSAP territory, this 911 capability functions in the same manner for Nexus and its subscribers. Nexus also currently enables 911 emergency calling services for all properly activated handsets regardless of whether the account associated with the handset is active or suspended.

Nexus will ensure that all handsets used in connection with its Lifeline service offering will be E911-compliant. Indeed, Nexus' handsets have always been E911-compliant. All Nexus handsets undergo a thorough quality inspection by Nexus prior to being distributed to subscribers. All Nexus handsets are required to meet Nexus' handset specifications, which ensure that the handset models meet all E911 requirements. As a result, any existing Nexus subscriber that qualifies for and subsequently elects Lifeline service will already have an E911-compliant handset provided by Nexus. Additionally, any new subscriber that qualifies for and enrolls in Nexus' Lifeline program is assured of receiving an E911-compliant handset as well, free of charge.

IV. NEXUS' COMPLIANCE WITH THE COMMISSION'S MARKETING AND DISCLOSURE REQUIREMENTS FOR PARTICIPATION IN THE LIFELINE PROGRAM

Nexus has incorporated into its marketing materials for its Lifeline services, in clear, easily understood language: (1) that the service is supported by Lifeline, a government program; (2) that only eligible consumers may enroll in the program; (3) what documentation is necessary for enrollment; (4) that the benefit is limited to one per household and is non-transferrable; (5) that consumers who willfully make false statements in order to obtain the

benefit can be punished by fine or imprisonment or can be barred from the program.³¹ Nexus also discloses its name (the ETC) on all marketing materials.³² A representative sample of Nexus' revised marketing materials incorporating these disclosures is attached as Exhibit 2.

V. NEXUS' PROCEDURES AND EFFORTS TO PREVENT WASTE, FRAUD AND ABUSE IN CONNECTION WITH LIFELINE FUNDS

Nexus shares the Commission's commitment to minimize waste, fraud and abuse of Lifeline benefits. According, Nexus has implemented a variety of measures and procedures intended to prevent duplicate Lifeline benefits from being awarded to the same household or individual.

Prevention of Duplicates within Nexus' Subscriber Base. Lifeline applications to Nexus that are preliminarily deemed eligible are submitted to a data entry process, including verifying the address against the United States Postal Service database file of valid U.S. addresses. A Lifeline applicant's address, name, and the last four digits of his or her social security number are then queried against all of Nexus' active Lifeline subscribers (both wireline and wireless), in all states in which Nexus operates. If it is found that Nexus is already providing Lifeline service to the same subscriber or household, the application is rejected. Nexus commits to continuing these practices going forward.

Service Activation. Nexus ships handsets to qualified subscribers using FedEx's SmartPost delivery service and retains written confirmation that delivery was completed. Nexus does not seek reimbursement for Lifeline service for any subscriber until the subscriber activates the service, which may be done by taking such actions as dialing an outbound call.³³ Nexus will use the date of this first completed outbound call from its call records as the subscriber's

³¹ *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(c).

³² *Lifeline Reform Order* at ¶ 275; 47 C.F.R. § 54.405(d).

³³ Currently, the only form of activation that Nexus accepts is the placement of an outbound call.

effective start date for the purposes of determining the subscriber's enrollment date in the Lifeline program.

Non-Usage Policy. From the beginning of its wireless operations in 2009, Nexus voluntarily adopted a policy whereby a subscriber who has not used his or her handset within 60 days is de-enrolled from the Lifeline program (after a 30-day notice period). Upon de-enrollment, Nexus ceases seeking Lifeline reimbursements for that subscriber. Nexus' non-usage policy ensures that only subscribers who actually utilize their wireless service continue to receive Lifeline-subsidized service, and that Nexus only receives Lifeline support for those subscribers who remain enrolled in the program. Nexus commits to continuing this practice in conformance with the requirements of 47 C.F.R. § 54.405(e)(3).

Specifically, after 60 days of non-use,³⁴ Nexus provides notice to the subscriber that failure to use the Lifeline service or provide other confirmation to Nexus that the subscriber wishes to retain his or her Lifeline service within 30 days from the date of the de-enrollment notice will result in de-enrollment from the Lifeline program.³⁵ Nexus will not request further Lifeline reimbursement for any de-enrolled subscriber and Nexus will report annually to the Commission the number of subscribers de-enrolled for non-usage by month.³⁶

De-Enrollment and Disconnection. Nexus subscribers may easily de-enroll from Lifeline or disconnect their service altogether. There is a link on the home page of Nexus' website www.reachoutmobile.com for de-enrollments and disconnections. This link permits subscribers to de-enroll from Lifeline and either subscribe to a non-Lifeline service or cancel

³⁴ Subscribers can "use" the service by: (1) completing an outbound call; (2) purchasing minutes from Nexus to add to the subscriber's plan; (3) answering an incoming call from a party other than Nexus; or (4) responding to a direct contact from Nexus confirming that the subscriber wants to continue receiving the service. 47 C.F.R. § 54.407(c)(2).

³⁵ 47 C.F.R. § 54.405(e)(3).

³⁶ 47 C.F.R. § 54.405(e)(3).

their service altogether. Subscribers may also de-enroll or disconnect their service by calling Nexus' customer service call center.

One Per Household Rule. Nexus has implemented policies and practices in accordance with the Commission's rules and the *Lifeline Reform Order* to ensure that it provides only one Lifeline service per household. As described above, Nexus has already implemented procedures to ensure that Nexus itself only provides one Lifeline service per household. When the National Lifeline Accountability Database becomes available, Nexus will fully comply with the requirements of 47 C.F.R. § 54.404 and utilize the database to determine if an applicant is currently receiving Lifeline benefits from another carrier or if another person residing at the applicant's residential address is receiving Lifeline benefits. Nexus also will retain the following data: the date Nexus queried the duplicates database; the date and information Nexus transmitted to the database; the date of transmission of updated subscriber information to the database; the date of transmission of subscriber de-enrollment to the database; the date and database upon which Nexus determined income-based eligibility; state Lifeline administrator documentation of subscriber eligibility, and subscriber's certification of eligibility; the notice of program-certification and subscriber self-certification, when performed by a state agency or state Lifeline administrator.

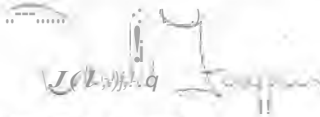
Nexus has also instructed its customer service representatives to explain the one-per-household requirement to prospective and existing subscribers, including explaining that the brands Safelink Wireless, Assurance Wireless, i-wireless, Stand-Up Wireless, Budget Mobile and TAG Mobile are Lifeline services. If Nexus has a reasonable basis to believe that one of its Lifeline subscribers no longer meets the eligibility criteria, for example, due to a violation of the one-per-household rule, Nexus initiates its termination process in accordance with the procedures

set forth in 47 C.F.R. § 54.405(e)(1). Nexus will also maintain the results of each state administrator's certification efforts for each subscriber in that state where a state administrator or agency is responsible for re-certification and where a state has been unable to re-certify a subscriber, Nexus will keep the record and comply with the relevant de-enrollment procedures.

VI. CONCLUSION

Nexus submits that the foregoing Amended Compliance Plan fully satisfies the conditions set forth in the *Lifeline Reform Order*, the *Public Notice* and in the Commission's rules pertaining to Lifeline. Accordingly, Nexus respectfully requests expeditious approval of its pending ETC Petitions and this Amended Compliance Plan so that Nexus may continue to provide essential Lifeline service to eligible low-income subscribers in states where it currently operates and may provide eligible consumers Lifeline wireless service options in additional states. Nexus also requests expeditious approval of its Amended Compliance Plan because the company has filed an application to participate in the Commission's Lifeline Broadband Pilot Program.

Respectfully submitted,



Danielle Frappier
James W. Tomlinson
Davis Wright Tremaine LLP
1919 Pennsylvania Avenue, N.W., Suite 800
Washington, D.C. 20006-3401
(202) 973 - 4242

Counsel to Nexus Communications, Inc.

December 4, 2012

Exhibit 1

Lifeline Applications

Fax to: 1-877-870-9333 Email to: enroll@reachoutmobile.com or
Mail to: ReachOut Wireless, PO Box 247168, Columbus, OH 43224-7168



☐ 125 FREE Rollover Minutes ☐ 250 FREE Non-Rollover Minutes

LIFELINE APPLICATION

I certify that I participate in one of the following programs (check one):

- ☐ Food Stamps (SNAP) ☐ Medicaid
☐ Federal Public Housing Assistance (Section 8) ☐ Temporary Assistance to Needy Families (TANF)
☐ National School Lunch Free Lunch Program ☐ Supplemental Social Security (SSI)
☐ Low Income Home Energy Assistance Program (LIHEAP) *If you wish to qualify based on income, a different form is required.*

You must provide documentation demonstrating your current participation in the program checked above.

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: _____ Zip: _____

(no P.O. Box for res. address) This is my (check one): ☐ Permanent Address ☐ Temporary Address

If you move, you must update your residential address with ReachOut Wireless within 30 days

Billing Address (if different): _____ Apt. _____ City: _____ State: _____ Zip: _____

I certify that:

- ☐ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- ☐ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- ☐ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- ☐ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for ReachOut Wireless Lifeline service, I agree to cancel that Lifeline service with any other provider.
- ☐ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
- ☐ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- ☐ I will notify ReachOut Wireless within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer participating in any of qualifying program, or if I or a member of my household receives another Lifeline benefit.
- ☐ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
- ☐ If I move to a new address, I will provide the new address to ReachOut Wireless within 30 days.
- ☐ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
- ☐ I authorize ReachOut Wireless to access any state or federal governmental records or database required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to ReachOut Wireless verifying my participation in programs that qualify me for Lifeline. I also authorize ReachOut Wireless to release any records required for the administration of ReachOut Wireless's Lifeline program, including to the Universal Service Administrative Company (USAC), to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
- ☐ I certify penalty of perjury that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date: _____

Customer Service 1 - 877-870-9444
www.reachoutmobile.com

Fax to: 1-877-870-9333 Email to: enroll@reachoutmobile.com or
Mail to: ReachOut Wireless, PO Box 247168, Columbus, OH 43224-7168

Reach Out
wireless

125 FREE Rollover Minutes

250 FREE Non-Rollover Minutes

LIFELINE APPLICATION

I certify that my household income is at or below 135% of the Federal Poverty Guidelines as indicated below:

Eligibility for Lifeline may apply if your household income is at or below 135% of the Federal Poverty Guidelines for a household of that size. Indicate which income range applies to you in the chart. You must provide proof of eligibility based on income, which can include:	Check or Complete	Persons In Household	Annual Income	Monthly Income
<ul style="list-style-type: none"> • Last year's federal or state tax return • Current income statement from an employer or paycheck stub (must cover 3 consecutive months within the previous 12 months) • A Social Security statement of benefits • A retirement/pension statement of benefits • An Unemployment/Workers' Compensation statement of benefit • Federal notice letter of participation in General Assistance • Divorce decree, child support award or other official document containing income information 	<input type="checkbox"/>	1	\$15,080	\$1,257
	<input type="checkbox"/>	2	\$20,426	\$1,702
	<input type="checkbox"/>	3	\$25,772	\$2,148
	<input type="checkbox"/>	4	\$31,118	\$2,593
	<input type="checkbox"/>	5	\$36,464	\$3,039
	<input type="checkbox"/>	6	\$41,810	\$3,484
	<input type="checkbox"/>	7	\$47,156	\$3,930
	<input type="checkbox"/>	8	\$52,502	\$4,375
	# in household	For each add'l person, add:	\$5,346	\$446

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: _____ Zip: _____

(no P.O. Box for res. address) This is my (check one): _____ Permanent Address _____ Temporary Address

If you move, you must update your residential address with ReachOut Wireless within 30 days.

Billing Address (if different): _____ Apt. _____ City: _____ State: _____ Zip: _____

I certify that:

- _____ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- _____ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- _____ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- _____ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for ReachOut Wireless Lifeline service, I agree to cancel that Lifeline service with any other provider.
- _____ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
- _____ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- _____ I will notify ReachOut Wireless within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer meeting the income levels, or if I or a member of my household receives another Lifeline benefit.
- _____ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
- _____ If I move to a new address, I will provide the new address to ReachOut Wireless within 30 days.
- _____ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
- _____ I authorize ReachOut Wireless to access any governmental state or federal records or database located anywhere required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to ReachOut Wireless verifying my participation in programs that qualify me for Lifeline. I also authorize ReachOut Wireless to release any records required for the administration of ReachOut Wireless's Lifeline program, including to the Universal Service Administrative Company (USAC) to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
- _____ I certify penalty of perjury that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date: _____

Customer Service 1 - 877 - 870 - 9444
www.reachoutmobile.com



Toll-free: 1-800-700-5575 Email to: enroll@TSIHomePhone.com or
 Mail to: TSI Home Phone, PO Box 247168, Columbus, OH 43224-7168

WIRELINE LIFELINE APPLICATION- PROGRAM BASED

I certify that I participate in one of the following programs (check one):

- | | |
|---|--|
| <input type="checkbox"/> Food Stamps (SNAP) | <input type="checkbox"/> Medicaid |
| <input type="checkbox"/> Federal Public Housing Assistance (Section 8) | <input type="checkbox"/> Temporary Assistance to Needy Families (TANF) |
| <input type="checkbox"/> National School Lunch Free Lunch Program | <input type="checkbox"/> Supplemental Social Security (SSI) |
| <input type="checkbox"/> Low Income Home Energy Assistance Program (LIHEAP) | <i>If you wish to qualify based on income, a different form is required.</i> |

You must provide documentation demonstrating your current participation in the program checked above.

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security #: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: _____ Zip: _____

(no P.O. Box for res. address) This is my (check one): ☐ Permanent Address ☐ Temporary Address

If you move, you must update your residential address with TSI Home Phone within 30 days

Billing Address (if different): _____ Apt. _____ City: _____ State: _____ Zip: _____

I certify that:

- ☐ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- ☐ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- ☐ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- ☐ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for TSI Home Phone Lifeline service, I agree to cancel that Lifeline service with any other provider.
- ☐ I acknowledge that Lifeline is non-transferable and that I may not transfer my benefit to any other person.
- ☐ I acknowledge that providing false or fraudulent information to receive Lifeline benefits is punishable by law.
- ☐ I will notify TSI Home Phone within 30 days if for any reason I no longer satisfy the criteria for receiving Lifeline services, such as no longer participating in any of qualifying program, or if I or a member of my household receives another Lifeline benefit.
- ☐ I acknowledge that I may be required to re-certify to my continued eligibility for Lifeline at any time, and that my failure to re-certify will result in de-enrollment and termination of my Lifeline benefits.
- ☐ If I move to a new address, I will provide the new address to TSI Home Phone within 30 days.
- ☐ If I provided a temporary address, I will be required to verify my temporary address every 90 days. If I do not provide verification within 30 days, I will be de-enrolled from the Lifeline program.
- ☐ I authorize TSI Home Phone to access any governmental state or federal records or database located anywhere required to verify my statements herein and to confirm my continued eligibility for Lifeline and authorize social service agency representatives to discuss with and/or provide information to TSI Home Phone verifying my participation in programs that qualify me for Lifeline. I also authorize TSI Home Phone to release any records required for the administration of TSI Home Phone's Lifeline program, including to the Universal Service Administrative Company (USAC) to be used in a Lifeline Program Database. I understand that the records are required to ensure the proper administration of the Lifeline program and that failure to provide consent will result in the applicant being denied the Lifeline service.
- ☐ I certify penalty of perjury that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date: _____



Fax to: 1-800-700-5576 Email to: emoll@TSIHomePhone.com or
Mail to: TSI Home Phone, PO Box 247168, Columbus, OH 43224-7168

WIRELINE LIFELINE APPLICATION- INCOME BASED

I certify that my household income is at or below 135% of the Federal Poverty Guidelines as indicated below:

Eligibility for Lifeline may apply if your household income is at or below 135% of the Federal Poverty Guidelines for a household of that size. Indicate which income range applies to you in the chart. You must provide proof of eligibility based on income, which can include:	Check or Complete	Persons in Household	Annual Income	Monthly Income
<ul style="list-style-type: none"> • Last year's federal or state tax return • Current income statement from an employer or paycheck stub (must cover 3 consecutive months within the previous 12 months) • A Social Security statement of benefits • A retirement/pension statement of benefits • An Unemployment/Workers' Compensation statement of benefit • Federal notice letter of participation in General Assistance • Divorce decree, child support award or other official document containing income information 	<input type="checkbox"/>	1	\$15,080	\$1,257
	<input type="checkbox"/>	2	\$20,426	\$1,702
	<input type="checkbox"/>	3	\$25,772	\$2,148
	<input type="checkbox"/>	4	\$31,118	\$2,593
	<input type="checkbox"/>	5	\$36,464	\$3,039
	<input type="checkbox"/>	6	\$41,810	\$3,484
	<input type="checkbox"/>	7	\$47,156	\$3,930
	<input type="checkbox"/>	8	\$52,502	\$4,375
	<input type="checkbox"/> # in household	For each add'l person, add:	\$5,346	\$446

Last Name: _____ First Name: _____ Middle Initial: _____

Last 4 digits of Soc. Security#: _____ Date of Birth: _____

Residential Address: _____ Apt. _____ City: _____ State: _____ Zip: _____

(no P.O. Box for res. address) This is my (check one): _____ Permanent Address _____ Temporary Address

If you move, you must update your residential address with TSI Home Phone within 30 days

Billing Address (if different): _____ Apt. _____ City: _____ State: _____ Zip: _____

I certify that:

- _____ I acknowledge that Lifeline is a government assistance program and that willfully making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program.
- _____ I acknowledge that only Lifeline eligible consumers may enroll in the Lifeline Program.
- _____ I acknowledge that only one Lifeline service is available per household, and that, to the best of my knowledge, no other person in my household is receiving a Lifeline service. (For purposes of Lifeline, a "household" is any individual or group of individuals who live together at the same address and share income and expenses.)
- _____ I acknowledge that a household is not permitted to receive Lifeline benefits from multiple providers and that violation of this limitation constitutes a violation of the rules of the Federal Communications Commission and will result in de-enrollment from the Lifeline program. If I am participating in another Lifeline program at the time I apply for TSI Home Phone Lifeline service, I agree to cancel that Lifeline service with any other provider.
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- _____ I certify penalty of perjury that the information contained in this certification is true and correct to the best of my knowledge.

Applicant's Signature: _____

Date: _____

Customer Service 1 - 866- 392 - 7123
www.TSIHomePhone.com

Exhibit 2
Sample Marketing Material

FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

250

anytime minutes
every month!

Receive a **FREE Cell
Phone and
250 Minutes**
a month for **ALL**
qualifying
customers!



1-877-870-9444

ReachOut
wireless

www.ReachOutWireless.com

Complaints concerning LifelineLinkup service can be directed to the XXXXX
Public Service Commission's Commission Affairs Unit at XXX-XXX-XXXX.

FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

125

anytime **ROLLOVER** minutes
every month!

**All unused minutes rollover
to the next month!**

Receive a **FREE Cell
Phone and
125 ROLLOVER
Minutes** a
month for **ALL**
qualifying
customers!



1-877-870-9444

ReachOut
wireless

www.ReachOutWireless.com

Complaints concerning LifelineLinkup service can be directed to the XXXXX
Public Service Commission's Commission Affairs Unit at XXX-XXX-XXXX.

FREE

CELLULAR PHONE
FREE MINUTES & TEXTS

ReachOut
wireless

1-877-870-9444

www.ReachOutWireless.com

IMPORTANT INFORMATION concerning Lifeline wireless service

Lifeline is a government assistance program. Only one Lifeline service is available per household. A violation of the one per household limitation constitutes a violation of the Federal Communications Commission's rules and will result in your de-enrollment from the program. Your household is not permitted to receive multiple Lifeline benefits whether they be from one or multiple companies. This includes Wireline and wireless service. Lifeline is a non-transferable benefit. You may not transfer your benefit to any other person. You must activate your service. You must use your phone to continue to receive service. Should you not use your service for 90 days you will be de-enrolled. Lifeline is a Federal benefit. Willingly making false statements to obtain the benefit can result in fines, imprisonment, de-enrollment or being barred from the program. Proof of eligibility is required and only eligible customers may enroll. Proof may consist of eligible program card or statement benefits.

Nexus Communications Inc.

Exhibit I - Letters of Support



NATIONAL CONSUMERS LEAGUE

1701 K Street, NW, Suite 1200, Washington, DC 20006
PHONE (202) 835-3323 FAX (202) 835-0747 www.ncsl.net

January 7, 2009

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20544

Re: CC Docket No. 96-45

Dear Ms. Dortch:

I am writing on behalf of the National Consumers League (NCL)¹ to express concern that delays in providing Eligible Telecommunications Carrier (ETC) certification to prepaid wireless carriers may be delaying the expansion of Lifeline wireless service to low-income consumers.

As we have stated in previous comments², wireless telephone service has become an essential part of modern life. That is why we have consistently supported the use of Universal Service Fund monies to bring wireless telephone service to low-income consumer via the Lifeline program. We believe that all carriers that are able to meet the service obligations of Lifeline should be able to serve Lifeline customers so that low-income Americans can have the same access to wireless and competitive services as other consumers.

The advantages that wireless service brings to low-income and working Americans, particularly minority consumers, are well-documented. For example, a recent report³ concluded that providing cell phones to the 38 percent of America's 45 million poorest households now without them -- including millions of seniors, Hispanics and African-Americans -- could help them get work or earn income at levels approaching \$2.9 billion-\$11 billion. Consumers will surely

¹ The National Consumers League, founded in 1899, is America's pioneer consumer organization. Our non-profit mission is to protect and promote social and economic justice for consumers and workers in the United States and abroad.

² CC Docket 96-45, WC Docket 03-109, NCL PETITIONS CONCERNING ELIGIBLE TELECOMMUNICATIONS DESIGNATIONS AND THE LIFELINE AND LINK-UP UNIVERSAL SERVICE SUPPORT MECHANISM, September 17, 2004

³ Sullivan, Nicholas. Cell Phones Provide Significant Economic Gains for Low-Income American Households. New Millennium Research Council. April 2008. Online: http://www.newmillenniumresearch.org/archive/Sullivan_Report_032608.pdf

benefit if more providers were able to offer Lifeline services.

Given the benefits of wireless service to low-income and working consumers, we urge you to adopt policies that allow more Americans to access Lifeline wireless services.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Sally Greenberg". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Sally Greenberg
Executive Director

Consumer Action

www.consumer-action.org

PO Box 70037
Washington, DC 20024
202-544-3088

221 Main St, Suite 480
San Francisco, CA 94105
415-777-9648

523 W. Sixth St., Suite 1105
Los Angeles, CA 90014
213-624-4631

May 10, 2010

Dear Commissioner:

As an organization dedicated to protecting and helping consumers, Consumer Action¹ believes that all carriers who seek certification to provide Lifeline and Link-Up services to low-income Americans should be also granted the authority to allow the consumer to decide what type of Lifeline offering they would prefer—wireless or wire-line. Low-income consumers should have access to the same type of competitive telecommunication services as other consumers. That is why we are writing today to support the Wireless Lifeline telecommunications service offered by Nexus Communications, Inc.

Consumer Action has been engaged in ensuring that Lifeline and Link-Up serves those in need and we applaud the goal to achieve a 100 percent participation rate among eligible and qualified low-income consumers. Unfortunately, federal figures indicate that Lifeline participation rates nationwide remain low. As a result, low-income households across the country continue to lag behind in obtaining the goal of enjoying access to services that are routinely enjoyed by other consumers everyday. Consumer Action believes that the Nexus Wireless Lifeline program will bring new opportunities for participation by low-income residents of your state.

Nexus' Wireless Lifeline offering is a prepaid wireless service that includes a free wireless handset and fixed amount of free monthly minutes available to qualifying consumers with no credit check, deposit requirements or long term agreements. As such, we believe that it can provide a vital option for low-income consumers who seek access to mobile wireless service, but who are wary of the early termination penalties and late payment fees that are associated with more traditional post-paid service. Through Nexus' Wireless Lifeline service, low-income consumers would also be afforded the opportunity to access services that other consumers currently receive with mobile cell phones, including voice mail, nationwide long distance and other essential features not currently offered with landline providers under their Lifeline programs. In addition, this new

¹ Founded in 1971, Consumer Action is a national non-profit education and advocacy organization serving more than 10,000 community-based organizations with training, educational modules, and multi-lingual publications.

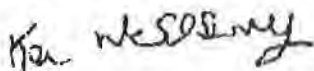
Wireless Lifeline service would help the neediest to participate equitably in the convenience, benefits, and security afforded by wireless service.

Granting swift approval of Nexus' Wireless Lifeline service offering would further the principles of universal service enumerated in Section 254(b)(3) of The Communications Act of 1934, as Amended ("The Act") and allow low-income consumers in all regions of the country to have access to telecommunications...services"---thereby fulfilling an important social imperative to ensure that all low-income residents are able to communicate by telephone with family, support networks, employers and emergency services. Approval of the Nexus Wireless Lifeline service would also greatly expand the range of telecommunications services available to low-income consumers and bring Lifeline and Link-Up into the 21st century. Consumer Action believes that as more providers enter this space, it will further uphold the principle of competitive and technological neutrality that is a cornerstone of federal and state regulation.

Consumer Action also believes that low-income consumers should have the same choice of the technology and service available to all other consumers, and that participation in vital low-income programs, such as Lifeline and Link-Up, should not serve as a barrier to new technologies, but should instead be a channel to greater access to competitive choices such as wireless. The Wireless Lifeline service offered by Nexus provides eligible consumers with a free wireless handset and a set amount of free minutes of local and domestic long distance usage each month.

We hope that the Commission will continue to support the availability of Wireless Lifeline and Link-Up and encourage other prepaid Wireless providers to pursue Lifeline ETC authority. Wireless Lifeline consumers can benefit from increased competition in the marketplace, and we support this petition by Nexus Communications, Inc. because we believe that additional providers in the arena will create a robust marketplace to benefit the very low-income households that are so badly in need of economic assistance in these difficult times.

Respectfully submitted,



Ken McEldowney
Executive Director



NATIONAL OFFICE

1140 Connecticut Avenue, NW
Suite 1210
Washington, DC 20036

PHONE: 202.265.7546
FAX: 202.265.5048

Info@communityactionpartnership.com
www.communityactionpartnership.com

PRESIDENT and CEO
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Peter Kilde
3rd Vice Chair
Glenwood City, WI

Elizabeth "Biz" Steinberg
Secretary
San Luis Obispo, CA

Tom Tenorio, CCAP
Treasurer
Orville, CA

February 18, 2011

Mr. Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Dear Chairman Genachowski:

I write on behalf of the Community Action Partnership (Partnership), the non-profit membership organization that represents the interests of more than 1,000 Community Action Agencies across America. In 2009, these Community Action Agencies served 20.7 million low-income people and families in more than 96% of America's counties. The Partnership's mission is to strengthen, promote, and provide training and technical assistance to our member agencies that receive federal Community Services Block Grants. We work to promote economic security and self-sufficiency for our nation's poor (43.7 million in 2009).

The Partnership is a strong advocate and proponent of the Lifeline program. We support measures that streamline the process for helping low-income consumers take advantage of the free wireless services Lifeline offers.

These free, prepaid services have helped revive a languishing program while bringing new access and opportunity to millions of Americans. Every day, in every state of America, Community Action staff meet with people who are struggling to pay their bills, find a job or even just meet their families' basic needs of food, shelter, and safety. Our member agencies tell us about the transformation that occurs when disadvantaged and vulnerable people and families are empowered to improve their circumstances.

These peoples' lives are more secure, easier when they have a cell phone and the Lifeline program. Lifeline contributes to their economic stability, personal security, and future opportunities. Having access to free cell phone makes Community Action clients more competitive with other job seekers; it gives our folks a leg up in an economy that continues to be very hard on our nation's poor and near-poor. Helping their lives become better improves their overall community and our society as a whole.

We are aware, however, that the Federal Communications Commission is considering proposals that could have an immediate negative impact on the free phone offerings available through Lifeline. The Partnership is convinced that any efforts that would hinder an individual's ability to obtain these services or complicate the enrollment process would be very detrimental to the low-income people we represent and serve and to the Lifeline program itself.

The FCC is to be commended for having the vision to recognize the true potential of a free wireless phone program for low-income people and for extending Lifeline to include such an offering. Retreating from that decision and implementing a minimum monthly charge on those least able to afford it would be a significant step in the wrong direction. It would instantly inhibit and discourage the people who need it the most. Even a fee of a few dollars per month is too much for people who do not know where their next meal is coming from and struggle to pay their heat and utility bills. Carriers have found a way to make the program work; charging for such service should not be left to their discretion.

As you might expect, after 47 years of providing programs, our Community Action Network is thoroughly familiar with the intake and enrollment processes for the wide variety of social service, employment and training and other economic security programs. During the four plus decades, Community Action has helped hundreds of millions of Americans obtain services that meet their most pressing needs. Our experience confirms that the success or failure of a program can occur even before someone tries to utilize the service being offered.



The Partnership fully understands that certain verification requirements must—and should—be in place to prevent fraud or mismanagement. Yet, the reality is that each additional enrollment requirement translates into a barrier to enrollment for clients with very little or no resources. Requiring individuals to provide written proof or documentation of their eligibility—can you prove you're poor?—will deny certain people the opportunity to apply.

There is little, if any, evidence that suggest that widespread fraud is taking place now. The FCC first should investigate the probability that such fraud exists before it implements a policy change that would discourage enrollments by eligible participants and result in significant, perhaps unsustainable, costs for providers.

In summary, the Community Action Partnership opposes any changes in prepaid Lifeline that would make it more difficult for our clients to obtain this valuable, life-saving service. The goal of the Universal Service Fund, and by extension Lifeline, is to make sure that everyone has access to phone service, especially those low-income people whose lives are more susceptible to emergencies and unexpected crises. Altering free prepaid Lifeline offerings in a way that they no longer become viable is counter to that goal. The Partnership is committed to helping people help themselves, and free cell phones for low-income people substantially help achieve that goal.

We respectfully ask that the FCC carefully consider any changes to Lifeline that would hurt or curtail service to the very people it was intended to help. Thank you for considering these comments and for the opportunity to submit them to the FCC.

Very truly yours,

A handwritten signature in dark ink that reads 'Don Mathis'.

Don Mathis



February 18, 2011

Julius Genachowski
Chairman
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: CC Docket 96-45

Dear Chairman Genachowski:

The League of ~~United~~ Latin American Citizens (LULAC) and the Hispanic Federation have both previously expressed their support for Lifeline, which has provided access to communication for Latinos across the United States. Prepaid Lifeline service has finally expanded the program to its full potential. Latinos have a higher propensity to utilize prepaid cell phones compared to other populations and the ability to obtain service through Lifeline free of charge has opened up doors for many struggling members in our community.

LULAC and Hispanic Federation are both dedicated to empowering Latinos to improve their economic condition and empower their lives. We believe that cell phone access helps achieve this mission. A cell phone truly is a lifeline, serving as a vehicle for security, stability and economic attainment. For this reason we are concerned about certain proposals before the FCC that could do irreparable harm to prepaid Lifeline services.

First, making the enrollment process more difficult for applicants will hurt participation and significantly increase the cost to administer the service. It is not always possible for an eligible individual to provide written documentation that they qualify for the program and it is unfair to shut that person out of the program because of a lack of means. Also, the additional paperwork this will create is an administrative burden that providers will likely not be able to shoulder.

Similarly, implementing a minimum charge for service could have a devastating effect on participation. These are times of unprecedented need and the recession has hit Latinos disproportionately hard. A study by the Joint Economic Committee found that in October 2009 the Hispanic unemployment rate had reached 13.1%, 3 percentage points higher than the overall rate. With little or no income many Hispanics simply cannot afford any extra expense, no matter how small. Regressing to a system that makes people pay for service, especially when it is not necessary, is clearly in conflict with the goal of Lifeline.



Participation rates in Lifeline have suffered for so long, despite the efforts of the FCC to build awareness of the program. We applaud the FCC for approving services that are finally reversing that trend, so it would be tragic to see providers that have found a working solution to this issue disappear from the program.

As we have outlined, the proposed changes would have unintended consequences that could ultimately result in the discontinuation of prepaid Lifeline services. This would not only harm low-income Latinos, but all struggling Americans that are seeking support. On behalf of our community, we respectfully request that the FCC seriously consider the disadvantages of implementing the above changes before choosing a course of action.

Sincerely,

Margaret Moran
National President
League of United Latin American Citizens

Lillian Rodríguez López
President
Hispanic Federation